

The Experts Compare US and Soviet Growth

ECONOMIC WORLD has taken a bit of editorial license in constructing the following colloquy.

It is drawn from unprecedented public testimony by John W. Dulles, Director of the Central Intelligence Agency, and from statements prepared by Willard L. Thorp of the Merrill Center for Economics at Amherst College and W. W. Rostow of the Massachusetts Institute of Technology. Both of the latter were summarizing and commenting upon some 400 printed pages of studies prepared by forty-five experts for the Soviet economy for a subcommittee of the Congressional Joint Economic Committee.

From this storehouse of statistics and opinion, the following excerpted quotations have been arranged in the form of a colloquy between Messrs. Dulles, Thorp, and Rostow.



MR. DULLES

MR. ROSTOW

MR. DULLES:

"The Soviet party line would have you believe that Russian industrial output was less than 7 per cent of the United States in 1913 . . .

The weight of evidence . . . would place pre-revolutionary Russia as the sixth or seventh largest industrial power of its time . . . Russia had in hand many of the keys for rapid economic development . . . Its agricultural output in 1913 was not only able to provide an adequate diet for its people, but also to generate an export surplus. There was no pressure of population against food resources.

The country was richly endowed with coal, iron ore, petroleum deposits and other essential industrial materials . . .

"By 1928 . . . out of the murky materialistic dogma of Marxism and Leninism, the surviving Communist leadership had molded a program of economic action which remains in force today.

"The central theme of this program is forced draft industrialization . . .

"In the short space of 30 years, from 1928, despite the ravages of four war years, and several years of reconstruction between 1941 and 1950, the Soviet Union has become second among the world's industrial powers. There is no dispute on this point."

MR. THORP:

"In general there seems to be agreement that a rapid rate of growth has been maintained in the industrial sector, that agricultural output has shown little expansion until the last few years, that there are many more urban services, and that great emphasis has been placed upon economic growth at points which would contribute to economic strength . . ."

MR. DULLES:

"The Soviet Union is extremely proficient in certain areas; especially in the scientific and technological fields related to its military effort. In other areas . . . their performance ranges from fair to mediocre . . . the USSR . . . is a country of concentration—concentration on those aspects of production and of economic development which the Soviet leaders feel will enhance their power position in the world . . .

"They cannot do everything at once . . . But in many of the technical and military fields the lead-time from the drawing board to the finished product is less with them than with us . . .

"In reviewing the various studies of Western scholars, I have been struck by the substantial agreement on the rate of industrial growth in the Soviet Union during the period since 1950. The range of estimates is

"Virtually all Western measurements point to this conclusion—that Soviet industrial production has been growing at a rate of at least twice as rapidly as that of the United States since 1950.

"We estimate the growth of Soviet Gross National Product during the present decade, 1950-1958, to have been at an annual rate of about 7 per cent . . . The conclusion, then, is that Soviet GNP has also been growing twice as rapidly as that of the U. S. over the past eight years . . .

"We estimate . . . that with a Gross National Product of about 45% of ours—computed on the same basis as we compute our own—their military effort, in terms of value, is roughly comparable to our own—a little less in terms of hardware produced but substantially more in terms of manpower under arms. Military hardware comes out of the most efficient sector of their economy."

MR. ROSTOW:

" . . . The Soviet Government is allocating more than twice the proportion of Gross National Product to military purposes than the American government . . ."

MR. DULLES:

"The magnitude of the investment program in the Seven Year Plan . . . that runs through 1965, is impressive by any standards of comparison. Capital investment in Soviet industry for the year 1959, the initial year of the plan . . . will be approximately equal to industrial investment in the United States, this year. The Soviets plan proportionately larger investment outlays for the succeeding years through 1965. These absolute amounts of investment are being fed into an industrial system whose output in 1958 was only 40 per cent of the United States. Under such forced draft feeding the Soviet industrial plant should grow at a rapid rate.

"On the other hand, we see no prospect that the agricultural goals of the Seven Year Plan will be approached . . . Given average weather, net agricultural